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Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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The Levant and North Africa - 1985

Summary

The areas of the Levant, Egypt/Sudan, and the Maghreb will continue to confront the United States with a variety of frustrating problems but likely will offer only a few opportunities to influence the course of events and the resolution of the issues in the region. The issues will cut across the entire region and will be framed by forces coalescing around four central themes:

- -- Internal stability and the need for economic reform in several countries of importance to the US.
- -- Implications of the policies and actions of key countries and Palestinian groups for Mideast peace prospects.
- -- Threats to US interests from political or military action and terrorism.
- -- Trends in political-military cooperation with the United States on the part of our traditional friends.

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| Eastern and | ndum was prepared by the Arab-Israeli [South Asian Analysis. Comments and qu | ueries are welcome and may be | |
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| directed to | the Chief, Arab-Israeli Division, NESA | <i>t</i> , | 25 X 1 |
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Israel-Lebanon-Syria-Palestinians

Israel's decision to withdraw its military forces from southern Lebanon will have important consequences for Lebanon and the region. The Lebanese Government probably will not be able to fill the vacuum when the Israelis depart. The result could be a free-for-all among the Lebanese Armed forces, the Lebanese Forces militia, the Druze, and the Shia for control of the coastal road from Beirut to Sidon. Bloodletting among pro- and anti-Arafat Palestinian groups in refugee camps near Sidon and elsewhere in southern Lebanon is also likely and could spark further fighting among Palestinian and Lebanese factions in and around Beirut. The United States probably would again be blamed by a Lebanese Government unwilling to take responsibility for its own problems, and the US presence in Beirut could be further threatened. Syrian forces in their current positions could not control such fighting.

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The Syrian succession question--domestic stability, Vice President Rifat's maneuvers, and the likelihood of an open power struggle--will come even more to the fore if President Assad dies or becomes incapacitated. Tel Aviv would test a new Syrian regime to ensure that Damascus would continue to abide by existing tacit agreements on "red lines."

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Israel faces serious political and economic challenges. The fragile stability of the National Unity Government could be upset by internal dissension within the Likud leadership as well as by differences between Likud and Labor over domestic policies, problems in Lebanon, and overtures to the Arabs. Progress in resolving Israel's economic crisis will demand the imposition of painful measures. The most pressing issue is what reforms Israel will design to supplement the recently announced eight month wage-price package deal to run from February through September. To be effective, reforms must deal with substantial deficits, both external and internal, and prevent prices from exploding once the new package deal ends.

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At least three important issues affecting the Palestinians will impact significantly on the search for peace in the Near East.

- -- PLO Chairman Arafat is trying to reconcile with the Democratic Alliance, which includes the Democratic Front for the Liberation of Palestine and the Popular Front for the Liberation of Palestine. His success in that effort will largely determine the prospects of eventual involment of Palestinian representatives in any future Arab-Israeli negotiations.
- -- Even the emergence of a tentative moderate PLO bloc supportive of Arafat's policies may not be enough to move Jordan to assume a role for itself and for the Palestinians in future peace negotiations. If Jordan did move in that direction, however, such a development could confront Israel with an unwelcome dilemma and probably a domestic crisis.
- -- Developments in Palestinian terrorism. An expanding PLO presence in Jordan would generate increasing Israeli concern over the possibility of cross-border terrorist attacks. The type and frequency of such attacks will determine the magnitude of Israel's response and to a large extent determine the future of Jordan's relationship with Israel.

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Egypt-Sudan

Political and economic pressures on Egypt differ from those on Israel but may have an important impact on US interests. Internal political pressures may lead the Egyptian Government to reduce military cooperation with the US. Cairo's role in the search for peace in the Middle East is another major aspect of its foreign policy. It's disappointment over US inactivity in the region might lead it to promote more energetically alternatives to a US-directed diplomatic effort. The Egyptians, like the Israelis, will need to implement economic reform if they are to address effectively long-term problems. So far Cairo has been only slightly responsive to urging in this area from foreign lenders and donors. Accelerated reform would place Egyptian political and social stability at risk.

The issues of Sudanese political stability, the southern Sudanese insurgency, and Khartoum's relations with Libya and Ethiopia will be of concern. The likelihood that Nimeiri will reach a rapproachement with Libya to lessen pressure from Libyan-backed rebels and dissidents is higher now than it has been for several years.

Maghreb

Of considerable importance to the US and to the Near East region will be Libyan leader Qadhafi's domestic political position, the threat that Qadhafi's opposition may pose to him, and how Qadhafi's views of his personal security affect Libyan foreign policy initiatives. Libya's principal foreign policy goal will be to continue trying to counter US efforts to isolate Libya through diplomatic and economic sanctions. Toward that end, Libyan military and terrorist activities will continue to threaten US interests.

The Maghreb is an area with high potential for political instability. Developments such as the domestic and regional implications of Bourguiba's departure from Tunisian politics, continuing or increased tensions between Morocco and Algeria over the Western Sahara, and popular unrest resulting from King Hassan's inability to solve Morocco's economic problems could adversely affect US interests and alter the fragile equilibrium of the region.

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